

CAYMAN ISLANDS



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**THE PETROLEUM HANDLING
AND STORAGE LAW
(Law 1 of 1978)**

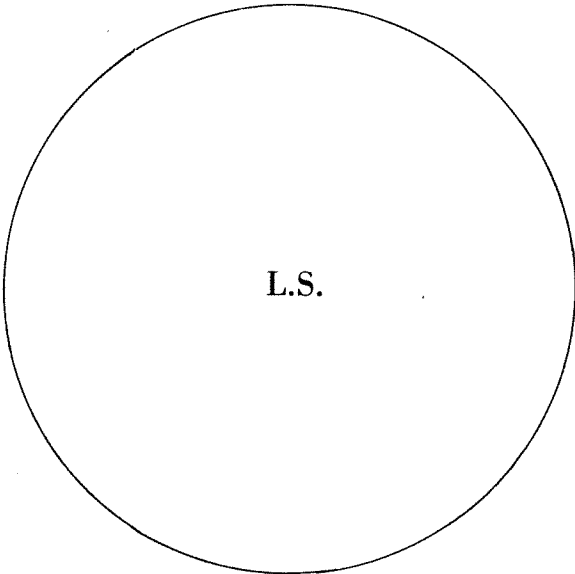
CAYMAN ISLANDS

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Passed the Legislative Assembly this 31st day of March, 1978.

T. RUSSELL
President

SYBIL McLAUGHLIN
Clerk of the Legislative Assembly.



Law 1 of 1978.

I assent,

T. RUSSELL

Governor

March 31st, 1978.

A LAW to provide for and control the storing, transportation, refining, and general handling of petroleum and petroleum products and for incidental and related matters.

ENACTED by the Legislature of the Cayman Islands.

Short title.

1. This Law may be cited as the Petroleum Handling and Storage Law.

Interpretation.

2. In this Law unless the context otherwise requires —
- “concession” includes any instrument whereby the Governor grants a right or privilege enabling a person, exclusively or subject to restriction, to handle and transport petroleum in the Islands or the territorial waters thereof or both upon and subject to such terms and conditions as may be expressed or implied in such instrument or provided for under this or any other Law;
- “concessionaire” means a person to whom a right or privilege has been granted under a concession;
- “gallon” means an imperial gallon;
- “Governor” means the Governor in Council;
- “handling” includes storing, refining and processing;
- “licence” means a licence issued under section 7(h);

“natural gas” means any gas derived from natural strata;

“petroleum” includes crude liquid petroleum, natural gas and petroleum products;

“petroleum product” means any of the following substances produced directly or indirectly from crude petroleum, that is to say, any fuel, lubricant, bitumen, wax, industrial spirit and any wide-range substance (meaning a substance whose final boiling point at normal atmospheric pressure is more than 50° centigrade higher than its initial boiling point);

“transportation” includes shipment, transshipment, landing, loading and movement by any means whatsoever including pipe-line.

Governor may grant concessions.

3. It is lawful for the Governor to grant concessions under this Law.

Application to Local Companies (Control) Law (Revised) and Caymanian Protection Law (Revised).

4. A concessionaire under this Law is deemed —

(a) if a company, to be the holder of a Franchise for the purpose of section 4(1)(d) of the Local Companies (Control) Law (Revised); or

(b) if an individual, to be employed by the Government of the Cayman Islands for the purpose of section 23(a)(i) of the Caymanian Protection Law (Revised).

Crown not bound.

5. This Law is not binding upon the Crown.

Implementation.

6. The Governor may employ a Chief Petroleum Inspector and subordinates having responsibility for the administration of this Law pursuant thereto who shall be remunerated from funds voted by the Legislative Assembly.

Regulations.

7. The Governor may make Regulations for carrying the foregoing provisions of this Law into effect and without prejudice to the generality of this provision for —

(a) safety standards and precautions in relation to the storage and transportation of petroleum and petroleum products;

(b) safeguards against pollution by petroleum;

(c) rates of compensation for damage to third parties or the general public arising from the handling or transportation of petroleum;

(d) compulsory insurance cover to be taken out by persons engaged in the handling or transportation of petroleum against claims for damages by third parties or the general public;

(e) procedures to be followed in handling and transportation of petroleum;

(f) the establishment, management and payment of compensation for wayleaves;

(g) the responsibilities, powers and administration of the Chief Petroleum Inspector and other officers appointed under this Law;

(h) the granting of licences authorising the handling and transportation of petroleum under this Law;

(i) the establishment of a Compensation Assessment Tribunal for the assessment of compensation claims arising from the handling or transportation of petroleum;

(j) provision for appeals against the decisions of the Compensation Assessment Tribunal;

(k) rules to enable the Attorney General on behalf of the public to claim

damages for pollution or other injury to public amenities arising from the handling or transportation of petroleum;

(l) penalties for contravention of such regulations; and

(m) any matters required by this Law to be prescribed.

Penal.

8. (1) Whoever —

(a) subject to subsection (2) handles or transports petroleum; or

(b) contravenes any provision of this Law; or

(c) for any purpose connected with this Law makes any statement or representation in the truth of which he does not believe, proof of his belief being upon him,

is guilty of an offence and liable on summary conviction to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding one year or both, and, in the case of a continuing offence, a fine not exceeding \$10,000 a day for each day the offence continues after conviction in the first instance.

(2) Paragraph (a) of subsection (1) has no application to —

(a) handling and transportation of petroleum in quantities of 100 gallons or less;

(b) fuel carried by ships and aircraft for purposes of their own propulsion;

(c) persons licensed under section 7(h) acting within the terms of their licences;

(d) concessionaires operating within the terms of concessions granted under this Law;

(e) customs officers and constables acting in the course of their duty;

(f) persons acting for the purpose of averting danger arising from fire, oil spillage or other hazard happening likely to or capable of causing damage to persons or property;

(g) persons engaged in the fuelling of ships or aircraft;

(h) mains engineers acting under the Electricity Law and persons under their control when so acting;

(i) the Port Director acting under the Port Authority Law and persons under his control when so acting;

(j) any person specifically exempted by the Governor by Order published in the Gazette.

Law 17 of 1974.

No. 15 of 1976.

Saving.

The Schedule.

9. The persons engaged in the business of handling and transporting petroleum at the time of the coming into effect of this Law who are listed in the Schedule hereto are deemed to be licensed for the purpose of section 7(h) until the 31st day of December, 1978.

SCHEDULE

Esso Standard Oil S.A. Ltd.,
Texaco Carib (Inc)
Home Gas Ltd.

and such other persons as may be specified by the Governor by notice in the Gazette.